Greg Maffei - *Liberty Media - President & CEO*

Well, today, that cash that is going to be brought over is less than a year's worth of taxes, so it is well under the $400 million number - i.e., that is the amount of operating shield we have at Capital to shield Interactive earnings. And I think the total number is 300 ish, to bring across over the next year. So it is not nothing, but it is not an ongoing, like we found some big loss-generating business inside Capital or a shield-generating such business in Capital. It couldn't be much larger, but today that doesn't exist.

John Malone - *Liberty Media - CEO*

Well, at the risk of thoroughly confusing Greg's response

Greg Maffei - *Liberty Media - President & CEO*

Which was confusing enough? No.

John Malone - *Liberty Media - CEO*

When we monetized some of our equity positions such as Sprint and Motorola and to some degree the others, we issued long-term exchangeable debt instruments. Under the tax rules that applied at the time, we would pay, for instance, 3.5% current interest on those exchangeables. But we would deduct whatever our effective rate was on a 30-year instrument, which I think we had been deducting 8.5 or 9%.

So we actually on those debt instruments have a very substantial imputed interest expense, which we get to deduct, but do not actually pay. And of course, those numbers are quite sizable and they compound going forward quite substantially.

There is some question as to whether or not the IRS agrees with us with respect to the way we interpret the tax laws. And so we will see over time whether or not that treatment of those exchangeable instruments holds. So I have always felt like that was another kind of risk factor or an uncertainty within the capital structure, that if you read the fine print, I think, of our financial statement footnotes, you would see that that is the prospect.

If we win, if the IRS does not in the end challenge that successfully, that is a big asset. I think there's, what, 24 years remaining? 23, 24 years remaining on that deferral. Those numbers get very large. So as long as you're coupling that with otherwise taxable income, the time value of the money, as you say, the present value of that is a very large number.

So there are some elements here that could go either way that are quite large. And I think that is one -- when we talk about the complexity of capital on the Capital side, that is one of the elements of complexity, is the uncertainty of us being able to project exactly what the tax posture is going forward.

We entered into these transactions. The government then came out with proposed rule changes afterwards. And it depends on what time of the day we ask our advisors their level of confidence in the sustainability of our tax positions. But those are extremely -- those are actually, if we win, big assets for Capital. If we lose, they're relatively small today, the liability.

Unidentified Audience Member

How do you think about buying assets which are sort of strategically hard to explain - i.e., a baseball team - if it furthers this very complicated discussion of tax minimization? How do you think about how far you're willing to compromise?

And secondly, how do you think about the corporate opportunity question between the two companies if one of Greg's potential acquisitions is in Internet commerce, something that might fit with LINTA better than LCAP?

John Malone - *Liberty Media CEO*

Well, I think it is pretty clear that while we have not entered into any formal agreements, because it's one Board of Directors in a tracking stock environment, it's pretty clear that Interactive and retailing e-commerce opportunities belong in and will be on a clear first refusal basis available to the Interactive side of the business.

So that is the way I think about corporate opportunity issues. I think the other was what kind of assets that we might have to trade for it. I think that is a function of our bargaining position. And we certainly wouldn't take assets that we didn't believe represented good stores of value and reasonable accretion.

Obviously, the best would be things that are synergistic immediately with our other businesses. Whether or not we can end up with enough leverage to extract businesses of that nature or we are fortunate enough to do so – if you remember, there was a lot of press about my efforts to swap some stock back to News Corp. for Nat Geo so we could put it together with Discovery. That was, for instance, the kind of assets that would be nirvana from a synergy and value point of view. Unfortunately, we couldn't get the National Geographic Society to go along with a transaction that I think News and Liberty could have agreed on.

So this is all a function of what you can find and so on. You've got to put this in the context of time, value of money, how long one would have to hold an asset that one was holding as a store of value in order to perfect the tax posture versus because you really loved it and thought it was going to [get the confluence].

The best of all worlds, of course, is the synergistic cash-flowing asset that is accretive the day you buy it. Now that is Greg's first job, is to go find only those kinds of assets.

Greg Maffei - *Liberty Media - President & CEO*

Yes, and to fail.

John Malone - *Liberty Media - CEO*

But at the other end of the extreme, if you look at assets that have modest value growth, no leverageability, then you're really talking about time value issues and trading that off against the efficiency of the overall transaction. And somewhere in those two extremes, you're going to end up with, if you are successful in doing this at all, you're going to end up with assets.

I mean, in the case of the deal we were trying with Sprint, where we were attempting to swap for the tower business, we were paying quite an aggressive multiple for the tower business. On the other hand, they had good growth rates and they were eminently leverageable. And so we thought that was a very efficient transaction.

You can only try on these things. And you can only expect to get assets from the other side that they're willing to yield for their overall benefit of their shareholders. We don't expect that we have leverage over any of our counterparties sufficient that they're going to give us something that's to the detriment of their shareholders. We think this has to be a win-win transaction, or it is just not doable by one party or the other.

Greg Maffei - *Liberty Media - President & CEO*

Recognizing also if you have stock and you have a big position with votes or something, then maybe there's a desire on the management's part to eliminate than to hold it. But they have some fiduciary obligations against the overall value. So it is not like they have complete flexibility either.

Unidentified Audience Member

Could I just follow up? John, you mentioned before that your edge previously was TCI and all of its bargaining power. And besides its corporate opportunity means that the Internet commerce things are all going into LINTA, then what is your edge in LCAP besides Greg's brain and contacts? What is your end --

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John Malone - *Liberty Media - CEO*

Well, we have had several -- of course, there's the rub, as they say.

Greg Maffei - *Liberty Media - President & CEO*

Desperately seeking market power.

John Malone *Liberty Media CEO*

The point is you have to start with relatively -- you either do a big acquisition -- after all, we are going to have a lot of capital potentially. So you go out and you buy market power by doing some big deal that you think is a great business to own, and then you grow it from there. There are things -- stranger things have happened.

And in reality, there was a point in time where we thought we were buying Cendant. There was a point in time when we thought we were buying Vivendi Universal. There was a time when we thought we were buying the German cable industry.

So these things come by, and you see if you can make a deal, if it makes sense for you. So there is always that opportunity of what I would call a large-scale acquisition. Pro forma, we could generate a lot of capital. Maybe with the kind of leverage that is in the marketplace today, Greg has probably -- he could probably start thinking about a $60 billion type of thing? Right? Who knows? Microsoft is not doing that well.

But, you know, so what you do is you do what you can do. You try and get the best returns you can on the capital you have, until or unless the opportunities show up, to really deploy it large-scale. We're not going to be able to pull off this conversion overnight. So this is going to be a staged process. And there may well be opportunities where the best return we can see is shrinking the equity or returning the capital directly to the shareholders.

That clearly is the alternative against which these other opportunities have to be measured. And I think that is the way we're looking at the capital company. We would love to think that we can find another QVC. And maybe we can. If we do, you will be the first to know about it.

But until then, we just have to satisfy ourselves with bunts and singles and decent returns and small deals and maybe a few more venture capital efforts that we think might lead to something big, but in any event have the positive attribute that you write off the losers and you hold and double down on the winners until you get to a batting average that is livable that way. And I think that is just the way we have to play it.

Admittedly, today, with private equity having so much capital, it's hard to think that you're going to go out there and find any bargains in terms of large-scale acquisitions. And so our most likely action is to build up in the games area, to build up around Starz Encore, play around with marginal returns in that area, and then to look at some of our affiliated businesses that we perceive as being undervalued. And maybe we decide that we ought to buy those. I mean, there's nothing like having a friend on the Board to help start the negotiation of a good deal.

I can tell you quite honestly LGI, for instance, has a ton of private equity guys crawling all around it suggesting that it go private. Greg says, well, for God's sake, if anybody is going to take LGI private, why don't we? And that is a serious conversation. So I guess the thing I'm trying to --

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Greg Maffei - *Liberty Media - President & CEO*

I'm sure Mike Fries is loving this dialogue.

John Malone - *Liberty Media - CEO*

No, there are lots of opportunities in the world. But I think we have to start with saying, let's first of all make sure that we can efficiently monetize some of these positions and let's keep our eye opened for opportunities and let's have a different attitude maybe than we had over the last three or four years about leverage.

And the idea of -- I know that Greg presented our experience with buying QVC and what a homerun that was in terms of private equity-like returns. I know Mike Fries could talk about, say, Switzerland or France and what kind of returns he's generating in that business by [reincenting] highly leveraging a particular asset using the synergies to drive down the multiples and then refinancing it and taking your capital back out -- you can get very high incremental equity returns.

And we have to be open to that kind of financial structure if we are going to compete and build things going forward. And I think that is really the message. And that really does open the door to large transactions.

Unidentified Audience Member

A few questions on the exchangeable bonds that you talked about earlier.

John Malone - *Liberty Media - CEO*

I'm sorry, a few questions on--?

Unidentified Audience Member

About the exchangeable bonds. You alluded to the substantial tax benefits that these bonds give you. At some future point, is there a giveback of those advantages, depending on if you redeem them or if you convert them above par?

John Malone - *Liberty Media - CEO*

Sure. When they expire, you owe the government all the taxes you have deferred. So you can't just -- it is not mad money -- you can't just take it and spend it. But if you look at it within a financial plan, it is really your cheapest source of borrowing, which is you're borrowing from the government at zero interest rate.

But you are borrowing. It does accrete. And the only thing I was pointing out is it's a very large number. I mean, as it compounds, it gets to be a very large number. So you have built in a very large forward shelter. But you do have to pay the piper at some point. But now that is going to be beyond my anticipated term as Chairman.

Unidentified Audience Member

You said there might be a difference of opinion between you and the IRS on the tax deductibility of those [multiple speakers]. Are you talking about it with them? Is there a date by which it might be resolved?

John Malone *Liberty Media - CEO*

I wish I knew the answer to that question. We have not yet been challenged. We know that similar but not identical transactions are being reviewed by other issuers that we are in contact with, and so we can follow what their current discussions are. Our tax guys still give us a -- what is it? -- highly likely, I think is what they say, that we prevail, because we just followed the rules when the rules were in place. So we think we are in very good position to defend it, or we would not be doing it. But there is an uncertainty related to it.

Unidentified Audience Member

You have a program to maybe potentially buy back some of these trackers back?

Greg Maffei - *Liberty Media - President & CEO*

We don't have -- we have announced authorization. So we have the ability. We haven't announced any particular program.

Unidentified Audience Member

Would you consider buying back some of these exchangeable bonds, because some of them are trading as substantial discounts right now because of the underlying shares and maybe book some profit on that transaction?

John Malone - *Liberty Media - CEO*

Well, you know, the problem with buying them back is your trigger this recapture on these tax investments and you eliminate the future tax deductions. So we have explored structures whereby we can lock in the discount, but not through counterparties, but not trigger any tax event. And we are actively -- we have a very active finance department that is actively exploring transactions of that nature because it would be very nice to lock in that 40% discount, for instance, in the Sprint exchangeables.

John Orr - *Liberty Media - VP, IR*

No more questions? Okay. Well, thank you very much for coming. Thank you to all of our presenters and all the people who have joined. And thank you for being shareholders in Liberty Interactive and Liberty Capital.

*** Slip Sheet ***

Liberty Media Corporation
Second Quarter Earnings Release

Important Notice: Liberty Media Corporation ("Liberty") (NYSE: L, LMC.B) CEO, John Malone, and President, Robert Bennett, will discuss Liberty's earnings release in a conference call which will begin at 11:00 a.m. (ET) August 5, 2005. The call can be accessed by dialing (913) 981-4901 or (800) 811-0667 at least 10 minutes prior to the start time. Replays of the conference call can be accessed from 2:00 p.m. (ET) on August 5, 2005 through 5:00 p.m. (ET) August 12, 2005, by dialing (719) 457-0820 or (888) 203-1112 plus the pass code 8048426#. The call will also be broadcast live across the Internet. To access the web cast go to http://www.libertymedia.com/investor_relations/default.htm. Links to this press release will also be available on the Liberty Media web site.

Englewood, Colorado – On August 5, 2005, Liberty filed its Form 10-Q with the Securities and Exchange Commission for the three months ended June 30, 2005. The following release is being provided to supplement the information provided to investors in Liberty's Form 10-Q as filed with the SEC.

Liberty is a holding company which, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the electronic retailing, media, communications and entertainment industries.

In 2004, Liberty had organized its businesses into three groups – Interactive Group, Networks Group and Corporate and Other. On July 21, 2005, Liberty spun off its newly formed subsidiary, Discovery Holding Company (DHC). DHC's assets are comprised of Liberty's 100% ownership interest in Ascent Media Group, Inc., which was included in its Interactive Group, its 50% ownership interest in Discovery Communications, Inc. (DCI), which was included in its Networks Group and $200 million in cash. After completion of this spin off, Liberty now operates and analyzes its businesses individually, rather than combining them with other businesses into groups.

As a supplement to Liberty's consolidated statements of operations, the following is a presentation of financial information on a stand-alone basis for the following privately held assets owned by or in which Liberty held an interest at June 30, 2005:

- QVC, Inc., a consolidated, 98.5% owned subsidiary;
- Starz Entertainment Group LLC (SEG), a consolidated, wholly-owned subsidiary; and
- DCI, a privately held equity affiliate included among the assets spun off with DHC.

Unless otherwise noted, the following discussion compares financial information for the three months ended June 30, 2005 to the same period in 2004. Please see page 9 of this press release for the definition of operating cash flow and a discussion of management's use of this performance measure. Schedule 1 to this press release provides a reconciliation of Liberty's consolidated segment operating cash flow for its operating segments to consolidated earnings from continuing operations before income taxes and minority interests. Schedule 2 to this press release provides a reconciliation of the operating cash flow for each privately held asset presented herein to that asset's operating income for the same period, as determined under GAAP. Certain prior period amounts have been reclassified for comparability with the 2005 presentation.

QVC

QVC's revenue and operating cash flow increased 15% and 17%, respectively.

QVC's domestic revenue and operating cash flow increased 11% and 12%, respectively. The domestic revenue increase was primarily attributed to increased sales to existing subscribers principally in the areas of apparel and accessories. The domestic operations shipped approximately 26.4 million units during the quarter, an increase of 9%. The average selling price increased 5% from \$40.58 to \$42.42. QVC.com sales as a percentage of domestic sales grew from 14.9% in the second quarter of 2004 to 17.5% in 2005. The domestic operating cash flow margins increased 20 basis points from the prior period due to a higher gross profit margin. The gross margin increased during the quarter primarily due to a shift in the product mix from home to higher margin apparel and accessories products and due to improvements in warehouse and distribution operations.

QVC's international operations experienced positive results for the quarter due to a combination of greater sales to existing subscribers, new subscriber growth and favorable foreign currency exchange rates. Revenue from international operations increased 24% as a result of a strong performance from each of the international divisions. Excluding the effect of exchange rates, international revenue increased 20%. Primarily as a result of the sales increase, operating cash flow of the international operations increased from \$57 million to \$76 million, or 33%. While the gross profit margin declined by approximately 30 basis points, the international cash flow margin increased from 15.9% to 17.1% due to greater operating leverage of fixed expenses. The decrease in gross margins was due to changes in initial margins, product mix, and inventory obsolescence methodology. Excluding the effect of exchange rates, QVC's international operating cash flow increased 30%.

Effective May 20, 2005, QVC entered into a \$2 billion bank credit facility. The credit facility is comprised of an \$800 million term loan that was drawn at closing, an \$800 million term loan that can be drawn at any time before September 30, 2006, and a \$400 million revolving loan. All loans are due and payable on May 20, 2010. QVC's outstanding debt balance was \$800 million at June 30, 2005.

SEG

SEG's revenue increased 8% to \$258 million while operating cash flow decreased 24% to \$47 million. The increase in revenue was primarily due to an increase of 15.1 million subscription units, or 9%, from the second quarter of 2004. While SEG experienced a 10% increase in Thematic Multiplex subscription units, which have lower subscription rates than other SEG services, SEG also saw increases of 6% in both Starz and Encore units. The increases in subscription units were due in part to increased participation with distributors in national marketing campaigns in the second half of 2004, increased digital penetration and other marketing strategies.

SEG's operating expenses increased 20%. The increases were due primarily to higher programming costs, which increased from \$133 million for the three months ended June 30, 2004 to \$167 million in 2005, and increases in S,G&A expenses. The programming increases were due to higher costs per title as a result of new rate cards for movie titles under certain of its license agreements that were effective for movies made available to SEG beginning in 2004. While the higher rate card took effect at the beginning of 2004, programming expense in the second quarter of 2004 also included the amortization of programming costs related to movies under the lower rate card in effect prior to 2004 as SEG's first run exhibition window typically runs 15 to 18 months. Amortization of programming costs under these lower rate cards was substantially complete at the end of March 2005. An increase in the percentage of first-run movie exhibitions utilized (which have a relatively higher cost per title) as compared to the number of library product exhibitions utilized in the second quarter of 2005 also contributed to higher programming costs. S,G&A expenses increased primarily due to an \$8 million credit recorded by SEG in 2004 related to the recovery of certain accounts receivable from Adelphia Communications. These increases were partially offset by lower sales and marketing expenses as national marketing campaigns in the second quarter of 2005 were scaled back compared to those during the same period in 2004.

In the second quarter of 2005, SEG and Comcast renegotiated their affiliation agreement. The new agreement eliminates Comcast's packaging commitment for the Encore and Thematic Multiplex channels (EMP) and provides for a fixed fee payment structure, with certain CPI adjustments, for EMP through 2009. The agreement also provides for a guaranteed payment structure for Comcast's carriage of Starz through 2012 with contractual increases for 2006 and 2007 and annual CPI adjustments for the remainder of the term. The foregoing payment structure for EMP and Starz may be adjusted in the event Comcast acquires or disposes of cable systems. Finally, Comcast has agreed to the elimination of certain future marketing support commitments from SEG. As a result of this new agreement, SEG's future revenue from Comcast for its EMP and Starz products will not be impacted by any increases or decreases in actual subscribers, except in the case of acquisitions or dispositions noted above. The terms of the EMP and Starz payment structures can be extended by Comcast, at its option, for a total of six years and five years, respectively.

Discovery

DCI's revenue of $660 million and operating cash flow of $184 million are 12% and less than 1% ahead of the same period a year ago, respectively. DCI's affiliated networks reach more than 1.3 billion cumulative worldwide subscribers.

U.S. Networks revenue increased by 8% due to increases in affiliate revenue. U.S. Networks had a 12% increase in paying subscribers which, when combined with lower launch support amortization, led to a 23% increase in net affiliate revenue. Lower launch support amortization, a contra-revenue item, is the result of extensions to certain affiliation agreements. Net advertising revenue was flat as increases in CPM's were offset by lower ratings and audience delivery at certain networks. Operating expenses increased 8% due to increases in programming related expenses, partially offset by sales related expenses. Operating cash flow increased by 9% to $183 million.

International Networks revenue increased 23% due to increases in both affiliate and advertising revenue and favorable exchange rates. Net advertising revenue increased 28% driven by audience impact growth in the UK combined with advertising revenue generated by new channels launched in Europe. Net affiliate revenue increased by 23% due to increases in paying subscription units in Europe and Asia and international joint venture channels combined with contractual rate increases in certain markets. Subscription units increased 42% due to increases in nearly all regions. Subscription units grew at a faster rate than revenue primarily due to a disproportionate increase in subscribers in China which have free carriage. Operating expenses increased 38% due to the previously announced investment in its Lifestyles category designed to highlight and strengthen that category. Operating cash flow decreased 32% due to the increased expenses. Excluding the effects of exchange rates, revenue increased 20% and operating cash flow decreased 42%.

Revenue in the Commerce, Education and Other division increased by 27%, principally as a result of a 6% increase in same store sales and a $3 million, or 59%, increase in revenue at Discovery Education. Discovery Education revenue increased due to acquisitions that were made over the past year and an increase in the number of schools purchasing its products and services. Operating cash flow decreased 25% primarily due to additional expenses related to Discovery Education.

DCI's outstanding debt balance was $2.5 billion at June 30, 2005.

Fair Value of Public Holdings and Derivatives

(amounts in millions and include the value of derivatives)	June 30, 2005	March 31, 2005	June 30, 2004
News Corporation	8,374	8,689	8,401
InterActiveCorp	3,325	3,083	4,173
Non Strategic Public Holdings	8,441	8,315	8,473

Cash and Debt

The following presentation is provided to separately identify cash and liquid investments and debt information.

(amounts in millions)	June 30, 2005	March 31, 2005	June 30, 2004
Cash and Cash Related Investments:			
Consolidated Cash (GAAP)	$ 1,387	1,347	1,931
Consolidated Short-Term Investments (1)	6	4	38
Consolidated Long-Term Marketable Securities (2)	109	240	380
Total Consolidated Cash and Liquid Investments	**$ 1,502**	**1,591**	**2,349**
Debt:			
Senior Notes and Debentures (3)	$ 4,833	5,895	6,998
Senior Exchangeable Debentures (4)	4,588	4,588	4,628
Other	910	177	97
Total Debt	**$ 10,331**	**10,660**	**11,723**
Less Unamortized Discount Attributable To Call Option Obligations	(2,246)	(2,268)	(2,363)
Unamortized Discount	(18)	(19)	(22)
Consolidated Debt (GAAP)	**$ 8,067**	**8,373**	**9,338**

(1) Represents short-term marketable debt securities which are included in other current assets in Liberty's consolidated balance sheet.

(2) Represents long-term marketable debt securities which are included in investments in available-for-sale securities and other cost investments in Liberty's consolidated balance sheet.

(3) Represents face amount of Senior Notes and Debentures with no reduction for the unamortized discount.

(4) Represents face amount of Senior Exchangeable Debentures with no reduction for the unamortized discount attributable to the embedded call option obligation.

Liberty's Total Consolidated Cash and Liquid Investments decreased $89 million and Total Debt decreased by $329 million from March 31, 2005. The decrease in Total Debt was due to the tender offer executed in April 2005, repayments of short term borrowings, and repayments of corporate debt as part of the debt reduction plan announced in the fourth quarter of 2003, offset partially by borrowings against the QVC bank credit facility. Total Consolidated Cash and Liquid Investments decreased as cash flow from operations of Liberty's subsidiaries were more than offset by the debt repayments and interest expense.

2005 OUTLOOK

QVC - 2005 Guidance Unchanged

The following estimates assume primarily, among other factors, that product mix, foreign currency exchange rates and domestic growth rates are consistent with the first six months of 2005, and international growth rates experience a slight slowdown compared to prior years.

For full year 2005 versus 2004, QVC operating results are expected to increase as follows:

- Revenue by low double digits %.
- Operating cash flow by mid teens %.
- Operating income by mid teens %.

SEG - 2005 Guidance Unchanged

The following estimates assume, among other factors, that SEG continues to experience positive trends under its affiliation agreements, SEG's distributors continue to see growth in digital subscribers consistent with that experienced in 2004, the quantity and the timing of receipt of output product from the studios does not materially change from that experienced in 2004, and Starz subscription units continue to increase. These estimates further assume that SEG's 2005 programming costs increase between $100 million and $120 million over amounts expensed in 2004.

For full year 2005, SEG operating results are expected as follows:

- Revenue between $1,000 and $1,050 million.
- Operating cash flow between $150 and $170 million.
- Operating income between $64 and $84 million.

DCI - 2005 Guidance Unchanged

The following estimates assume, among other factors, continued increase in the amount of advertising dollars spent with cable networks as compared to broadcast networks, stabilized ratings at the domestic networks, investment in the international lifestyles and education initiatives, and a stable national retail environment.

For full year 2005 versus 2004, DCI consolidated operating results are expected to increase as follows:

- Revenue by mid teens %.
- Operating cash flow by low double digits %.
- Operating income by approximately 10%.

OUTSTANDING SHARES

At June 30, 2005, there were approximately 2.802 billion outstanding shares of L and LMC.B and 74 million shares of L and LMC.B reserved for issuance pursuant to warrants and employee stock options. At June 30, 2005, there were 22 million options that had a strike price that was lower than the closing stock price. Exercise of these options would result in aggregate proceeds of approximately $126 million.

OTHER EVENTS:

Liberty Completes Spin-Off of Discovery Holding Company

On July 21, 2005, Liberty announced that it had successfully completed the spin off of Discovery Holding Company through the distribution of all of the outstanding shares of DHC common stock to Liberty stockholders of record on July 15, 2005. Liberty no longer has any ownership interest in DHC and DHC now trades on the NASDAQ National Market under the symbols DISCA and DISCB. In the spin off, each share of Liberty Series A and Series B common stock received 0.10 shares of DHC Series A and Series B common stock, respectively. DHC is a holding company for its wholly-owned subsidiary, Ascent Media Group, and 50%-owned Discovery Communications, Inc.

President and CEO Robert Bennett Announces Intention to Retire

On August 3, 2005, Liberty announced that its President and CEO, Robert R. Bennett, has informed the Board of Directors of his intention to retire as of April 1, 2006. Mr. Bennett will remain a director of Liberty and will continue to work with the company on special projects. In addition, he will continue in his position as President and a director of Discovery Holding Company, the former Liberty subsidiary that was distributed to shareholders on July 21 of this year. Liberty's Chairman, John Malone, has been elected to serve as CEO until a successor has been identified.

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the operating businesses of Liberty included herein or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others: the risks and factors described in the publicly filed documents of Liberty, including the most recently filed Form 10-Q of Liberty; general economic and business conditions and industry trends including in the advertising and retail markets; spending on domestic and foreign advertising; the continued strength of the industries in which such businesses operate; continued consolidation of the broadband distribution and movie studio industries; uncertainties inherent in proposed business strategies and development plans; changes in distribution and viewing of television programming, including the expected deployment of personal video recorders and IP television and their impact on television advertising revenue and home shopping networks; increased digital television penetration and the impact on channel positioning of our networks; rapid technological changes; future financial performance, including availability, terms and deployment of capital; availability of qualified personnel; the development and provision of programming for new television and telecommunications technologies; changes in, or the failure or the inability to comply with, government regulation, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings; adverse outcomes in pending litigation; changes in the nature of key strategic relationships with partners and joint ventures; competitor responses to such operating businesses' products and services, and the overall market acceptance of such products and services, including acceptance of the pricing of such products and services; and threatened terrorist attacks and ongoing military action, including armed conflict in the Middle East and other parts of the world. These forward-looking statements speak only as of the date of this Release. Liberty expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Contact: Mike Erickson (877) 772-1518

SUPPLEMENTAL INFORMATION

As a supplement to Liberty's consolidated statements of operations, the following is a presentation of quarterly financial information and operating metrics on a stand-alone basis for the three largest privately held businesses (QVC, Inc., Starz Entertainment Group LLC and Discovery Communications, Inc.) owned by or in which Liberty held an interest at June 30, 2005.

Please see page 8 for the definition of operating cash flow (OCF) and Schedule 2 at the end of this document for reconciliations for the applicable periods in 2005 and 2004 of operating cash flow to operating income, as determined under GAAP, for each identified entity.

The selected financial information presented for DCI was obtained directly from DCI. Liberty does not control the decision-making processes or business management practices of DCI. Accordingly, Liberty relies on DCI's management to provide accurate financial information prepared in accordance with generally accepted accounting principles that Liberty uses in the application of the equity method. Liberty is not aware, however, of any errors in or possible misstatements of the financial information provided to it by DCI that would have a material effect on Liberty's consolidated financial statements. Further, Liberty could not, among other things, cause DCI to distribute to Liberty its proportionate share of the revenue or OCF of DCI.

QUARTERLY SUMMARY

(amounts in millions)	2Q05	1Q05	4Q04	3Q04	2Q04
QVC, INC. (98.5%)					
Revenue – Domestic	$ 1,034	1,025	1,347	932	930
Revenue – International	445	439	476	360	359
Revenue – Total	$ 1,479	1,464	1,823	1,292	1,289
OCF – Domestic	$ 248	241	334	210	221
OCF – International	76	82	77	61	57
OCF – Total	$ 324	323	411	271	278
Operating Income	$ 193	200	290	153	164
Gross Margin – Domestic	38.0%	37.3%	36.8%	36.8%	37.8%
Gross Margin – International	36.7%	38.2%	34.0%	37.6%	37.0%
Homes Reached – Domestic	89.9	89.1	88.4	87.8	87.3
Homes Reached - International	69.8	68.2	66.0	64.8	63.4
STARZ ENTERTAINMENT GROUP LLC (100%)					
Revenue	$ 258	254	248	245	238
OCF	$ 47	48	46	62	62
Operating Income (Loss)	$ 36	36	1	46	48
Subscription Units – Starz!	14.1	14.0	14.1	13.7	13.3
Subscription Units – Encore	24.9	24.5	24.5	23.9	23.4
Subscription Units – Thematic Multiplex & Other	140.0	135.3	134.2	129.7	127.2
Subscription Units – Total (1)	179.0	173.8	172.8	167.3	163.9
DISCOVERY COMMUNICATIONS, INC. (50.0%) (2)					
Revenue – U.S. Networks (3)	$ 455	416	413	385	421
Revenue – International Networks (4), (5)	177	159	171	146	144
Revenue – Commerce, Education & Other (6)	28	26	109	26	22
Revenue – Total	$ 660	601	693	557	587
OCF – U.S. Networks (3)	$ 183	147	140	151	168
OCF – International Networks (4), (5)	21	25	26	26	31
OCF – Commerce, Education & Other (6)	(20)	(24)	16	(16)	(16)
OCF – Total	$ 184	148	182	161	183
Operating Income	$ 130	97	159	129	118
Subscription Units – U.S. Networks (3), (7)	676	666	667	663	648
Subscription Units – International Networks (4), (5)	646	576	565	548	455
Subscription Units – Total (8)	1,322	1,242	1,232	1,211	1,103

(1) **SEG - Subscription Units:** Total subscription units represent the number of SEG services which are purchased by cable, DTH and other distribution media customers.

(2) **DCI** - Certain prior period amounts have been reclassified to conform to the current period presentation.

(3) **DCI – Discovery Networks U.S.:** Discovery Channel, TLC, Animal Planet, Travel Channel, Discovery Health Channel, Fit TV, Discovery Kids Channel, BBC-America Representation, The Science Channel, Discovery Times Channel, Discovery Home (f/k/a Discovery Home & Leisure Channel), Military Channel (f/k/a Discovery Wings Channel), Discovery HD Theater and online initiatives.

Discovery Networks U.S. Joint Ventures – Discovery Times, Animal Planet (US) – Consolidated:
DCI owns a 50% interest in Discovery Times and a 60% interest in Animal Planet (US). These ventures are controlled by DCI and consolidated into the results of Discovery Networks U.S. Due to certain contractual redemption rights of the outside partners in the ventures, no losses of these ventures are allocated to the outside partners.

(4) **DCI – Discovery Networks International:** Discovery Channels in UK, Europe, Latin America, Asia, India, Africa, Middle East; Discovery Kids in UK, Latin America; Discovery Travel & Living in UK, Europe, Latin America, Asia, Middle East, Africa, India; Discovery Home & Health in UK, Latin America, Asia; Discovery Real Time in UK, Asia; Discovery Civilization in UK, Europe, Middle East, Africa; The Science Channel in UK, Europe, Asia, Middle East, Africa; Discovery Wings in UK; Animal Planet in UK, Germany, Italy, Discovery en Español, Discovery Geschichte in Europe, and

consolidated BBC/DCI joint venture networks (Animal Planet networks in Europe, Latin America, Japan, Asia, Africa; People + Arts in Latin America and Spain).

Discovery Networks International Joint Ventures – Consoldiated

Discovery Networks International joint venture networks (Animal Planet networks in Europe, Latin America, Japan, Asia, Africa; People + Arts in Latin America and Spain) are composed of joint ventures with British Broadcasting Corporation. These ventures are controlled by DCI and consolidated into the results of Discovery Networks International. The equity in the assets of these joint ventures is predominantly held 50/50 by DCI and BBC. Exceptions involve participants related to the local market in which a specific network operates.

(5) **DCI – Discovery Networks International – Equity Affiliates:** DCI accounts for its interests in joint ventures it does not control as equity method investments. The operating results of joint ventures that DCI does not control, including Discovery Channel Canada, Discovery Channel Japan, Discovery Kids Canada, Discovery Home & Health Canada, Discovery Civilization Canada, and Animal Planet Canada are not consolidated and are not reflected in the results presented above.

(6) **DCI – Commerce, Education and Other**: Commerce, Education & Other is comprised of a North American chain of 112 Discovery Channel retail stores, mail-order catalog business, an on-line shopping site, a global licensing and strategic partnerships business, and an educational business that reaches many students in the U.S. through the sale of supplemental hardcopy products and the delivery of streaming video-on-demand through its digital internet enabled platforms.

(7) **DCI – Discovery Networks U.S. - Subscription Units**: Includes 7.1 million, 7.1 million, 6.9 million, 6.9 million and 6.8 million subscription units associated with the U.S. feed of TLC into certain markets in Canada. Also includes 42.7 million, 41.9 million, 40.9 million, 40.5 million and 39.7 million subscription units for BBC America, a service in which Discovery does not have an ownership interest but is responsible for distribution and advertising sales services in the United States.

(8) **DCI - Subscription Units**: Subscription units include (1) multiple networks received in the same household that subscribe to more than one network, (2) subscribers to joint venture networks, (3) subscribers that are reached through branded programming blocks, which are provided without charge, and (4) households that receive DCI programming networks without charge pursuant to various pricing plans that include free periods and/or free carriage.

NON-GAAP FINANCIAL MEASURES

This press release includes a presentation of operating cash flow, which is a non-GAAP financial measure, for each of the privately held assets of Liberty included herein together with a reconciliation of that non-GAAP measure to the privately held asset's operating income, determined under GAAP. Liberty defines operating cash flow as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock and other equity-based compensation). Operating cash flow, as defined by Liberty, excludes depreciation and amortization, stock and other equity-based compensation and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP.

Liberty believes operating cash flow is an important indicator of the operational strength and performance of its businesses, including the ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Because operating cash flow is used as a measure of operating performance, Liberty views operating income as the most directly comparable GAAP measure. Operating cash flow is not meant to replace or supercede operating income or any other GAAP measure, but rather to supplement the information to present investors with the same information as Liberty's management considers in assessing the results of operations and performance of its assets. Please see the attached schedules for a reconciliation of consolidated segment operating cash flow to consolidated earnings from continuing operations before income taxes and minority interest (Schedule 1) and a reconciliation, for our two largest consolidated subsidiaries and our largest equity affiliate, of each identified entity's operating cash flow to its operating income calculated in accordance with GAAP (Schedule 2).

LIBERTY MEDIA CORPORATION

SCHEDULE 1

The following table provides a reconciliation of consolidated segment operating cash flow to earnings from continuing operations before income taxes and minority interest for the three months ended June 30, 2005 and 2004.

(amounts in millions)	2Q05	2Q04
QVC	$ 324	278
SEG	47	62
Ascent Media, Corporate & Other	16	33
Consolidated segment operating cash flow	**$ 387**	**373**
Consolidated segment operating cash flow	387	373
Stock compensation	(23)	(10)
Depreciation and amortization	(181)	(179)
Interest expense	(146)	(149)
Realized and unrealized gains (losses) on financial instruments, net	(288)	(374)
Gains (losses) on dispositions of assets, net	17	14
Nontemporary declines in fair value of investments	--	(128)
Other, net	20	60
Earnings from continuing operations before income taxes and minority interest	**$ (214)**	**(393)**

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LIBERTY MEDIA CORPORATION

SCHEDULE 2

The following tables provide reconciliation, for our two largest consolidated subsidiaries and our largest equity affiliate, of operating cash flow to operating income calculated in accordance with GAAP for the three months ended June 30, 2005, March 31, 2005, December 31, 2004, September 30, 2004, and June 30, 2004, respectively.

(amounts in millions)	2Q05	1Q05	4Q04	3Q04	2Q04
QVC, INC. (98.5%)					
Operating Cash Flow	$ 324	323	411	271	278
Depreciation and Amortization	(114)	(115)	(113)	(110)	(106)
Stock Compensation Expense	(17)	(8)	(8)	(8)	(8)
Other	--	--	--	--	--
Operating Income	**$ 193**	**$ 200**	**290**	**153**	**164**
STARZ ENTERTAINMENT GROUP LLC (100%)					
Operating Cash Flow	$ 47	48	46	62	62
Depreciation and Amortization	(11)	(12)	(22)	(14)	(14)
Stock Compensation Expense	--	--	(23)	(2)	--
Other	--	--	--	--	--
Operating Income	**$ 36**	**36**	**1**	**46**	**48**
DISCOVERY COMMUNICATIONS, INC. (50.0%)					
Operating Cash Flow	$ 184	148	182	161	183
Depreciation and Amortization	(31)	(29)	(32)	(28)	(38)
Long-Term Incentive Plans	(23)	(22)	9	(26)	(27)
Other	--	--	--	22	--
Operating Income	**$ 130**	**97**	**159**	**129**	**118**

*** Slip Sheet ***

Liberty Media Corporation
Third Quarter Earnings Release

Important Notice: Liberty Media Corporation ("Liberty") (NYSE: L, LMC.B) CEO, John Malone, and President, Robert Bennett, will discuss Liberty's earnings release in a conference call which will begin at 10:30 a.m. (ET) November 9, 2005. The call can be accessed by dialing (913) 981-4911 or (800) 819-9193 at least 10 minutes prior to the start time. Replays of the conference call can be accessed from 1:30 p.m. (ET) on November 9, 2005 through 5:00 p.m. (ET) November 16, 2005, by dialing (719) 457-0820 or (888) 203-1112 plus the pass code 9393240#. The call will also be broadcast live across the Internet. To access the web cast go to http://www.libertymedia.com/investor_relations/default.htm. Links to this press release will also be available on the Liberty Media web site.

Englewood, Colorado – On November 9, 2005, Liberty filed its Form 10-Q with the Securities and Exchange Commission for the three months ended September 30, 2005. The following release is being provided to supplement the information provided to investors in Liberty's Form 10-Q as filed with the SEC.

Liberty is a holding company which, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the electronic retailing, media, communications and entertainment industries.

In 2004, Liberty had organized its businesses into three groups – Interactive Group, Networks Group and Corporate and Other. On July 21, 2005, Liberty spun off its newly formed subsidiary, Discovery Holding Company (DHC). DHC's assets are comprised of Liberty's 100% ownership interest in Ascent Media Group, Inc., which was included in its Interactive Group, its 50% ownership interest in Discovery Communications, Inc. (DCI), which was included in its Networks Group and $200 million in cash. After completion of this spin off, Liberty now operates and analyzes its businesses individually, rather than combining them with other businesses into groups.

Liberty has identified the following businesses, which were privately held entities owned by or in which Liberty held an interest at September 30, 2005, as its reportable segments:

- QVC, Inc., a consolidated, 98.4% owned subsidiary; and
- Starz Entertainment Group LLC (SEG), a consolidated, wholly-owned subsidiary.

As a supplement to Liberty's consolidated statements of operations included in its third quarter 10-Q, the following is a presentation of financial information on a stand-alone basis for the foregoing privately-held assets.

Unless otherwise noted, the following discussion compares financial information for the three months ended September 30, 2005 to the same period in 2004. Please see page 7 of this press release for the definition of operating cash flow and a discussion of management's use of this performance measure. Schedule 1 to this press release provides a reconciliation of Liberty's consolidated segment operating cash flow for its operating segments to consolidated earnings from continuing operations before income taxes and minority interests. Schedule 2 to this press release provides a reconciliation of the operating cash flow for each privately held entity presented herein to that entity's operating income for the same period, as determined under GAAP. Certain prior period amounts have been reclassified for comparability with the 2005 presentation.

QVC

QVC's revenue and operating cash flow increased 14% and 13%, respectively.

QVC's domestic revenue and operating cash flow increased 11% and 12%, respectively. The domestic revenue increase was attributed to increased sales to existing subscribers primarily in the areas of accessories and jewelry. The domestic operations shipped approximately 25.8 million units during the quarter, an increase of 7%. The average selling price increased 5% from $41.60 to $43.69. QVC.com sales as a percentage of domestic sales grew from 15% in the third quarter of 2004 to 17% in 2005. The domestic operating cash flow margin remained flat from the prior period due to efficiencies in call handling and staffing, lower telecommunication expenses and an increase in the mix of internet sales offset by a slight decrease in gross margins.

QVC's international operations experienced positive results for the quarter due to a combination of greater sales to existing subscribers as well as new subscriber growth offset slightly by unfavorable foreign currency exchange rates. Revenue from international operations increased 21% as a result of a strong performance from each of the international divisions. Excluding the effect of exchange rates, the international revenue increased 22%. Primarily as a result of the sales increase, the operating cash flow of the international operations increased from $61 million to $71 million, or 16%. The international cash flow margin decreased from 17% to 16% due to a decrease in the gross margin percentage partially offset by greater leverage of operating expenses. The decrease in gross profit margins was due to changes in initial margins, product mix and inventory obsolescence requirements. Excluding the effect of exchange rates, QVC's international operating cash flow increased 17%.

QVC's outstanding debt balance was $800 million at September 30, 2005.

SEG

SEG's revenue remained flat at $245 million while operating cash flow decreased 24% to $47 million. Revenue remained flat primarily due to an increase of 13.2 million subscription units, or 8%, from the third quarter of 2004 offset by a decrease in revenue from Comcast as a result of the new affiliation agreement entered into during the second quarter of 2005.

SEG's average subscription units, which represent the number of SEG services that are purchased by cable, direct-to-home ("DTH") satellite providers and other distribution media customers, increased 11% for the first nine months of 2005, compared to the first nine months of 2004. However, total period-end subscription units increased 4% from December 31, 2004 to September 30, 2005, and period-end subscription units increased less than 1% during the third quarter of 2005. SEG believes that the lower percentage increase in subscription units in 2005 was due to a number of factors including (1) certain cable operators shifting their focus and marketing expenditures away from the addition of premium video subscribers to promotion of other services; (2) a loss of subscribers due to the hurricane damage in the Gulf Coast region; and (3) a slow down in the conversion of cable subscribers to DTH satellite subscribers.

SEG's operating expenses increased 8%. The increases were due primarily to higher programming costs, which increased from $140 million for the three months ended September 30, 2004 to $161 million in 2005, partially offset by decreases in S,G&A expenses. The programming increases were due to higher costs per title as a result of new rate cards for movie titles under certain of its license agreements and an increase in the percentage of first-run movie exhibitions utilized (which have a relatively higher cost per title) as compared to the number of library product exhibitions utilized in the third quarter of 2005. Also affecting operating expenses were costs related to a streaming Internet movie service that SEG began developing in the second quarter of 2004. Operating expenses (primarily an allocation of programming costs) for this initiative for the three months ended September 30, 2005 and 2004 aggregated $17 million and $4 million, respectively. Such operating expenses do not include any overhead allocations. The increase in costs allocated to the Internet movie service in 2005 is due to the fact that such service was not launched until July 1, 2004. Prior to that time all programming costs were attributed to SEG's television movie service. S,G&A expenses decreased primarily due to lower sales and marketing expenses as national marketing campaign activity in the third quarter of 2005 was lower than the same period in 2004. As a result of this reduction and the new affiliation agreement with Comcast, sales and marketing expenses decreased $5 million for the three months ended September 30, 2005. Operating cash flow decreased due to flat revenue and increased expenses.

Fair Value of Public Holdings and Derivatives

(amounts in millions and include the value of derivatives)	September 30, 2005	June 30, 2005	September 30, 2004
News Corporation	$ 8,122	8,374	8,037
InterActiveCorp	$ 1,755	3,325	3,048
Expedia (1)	$ 1,371	-	-
Non Strategic Public Holdings	$ 7,897	8,441	8,160

(1) Represents fair value of Liberty's investment in Expedia. In accordance with GAAP, Liberty accounts for this investment using the equity method of accounting and includes this investment in its consolidated balance sheet at cost.

Cash and Debt

The following presentation is provided to separately identify cash and liquid investments and debt information.

(amounts in millions)	September 30, 2005	June 30, 2005	September 30, 2004
Cash and Cash Related Investments:			
Consolidated Cash (GAAP)	$ 1,709	1,376	1,259
Consolidated Short-Term Investments (1)	11	6	27
Consolidated Long-Term Marketable Securities (2)	366	100	412
Total Consolidated Cash and Liquid Investments (3)	**$ 2,086**	**1,482**	**1,698**
Debt:			
Senior Notes and Debentures (4)	$ 4,808	4,833	6,745
Senior Exchangeable Debentures (5)	4,588	4,588	4,588
Other	908	910	95
Total Debt	**$ 10,304**	**10,331**	**11,428**
Less: Unamortized Discount Attributable To Call Option Obligations	(2,223)	(2,246)	(2,310)
Unamortized Discount	(19)	(18)	(22)
Consolidated Debt (GAAP)	**$ 8,062**	**8,067**	**9,096**

(1) Represents short-term marketable debt securities which are included in other current assets in Liberty's consolidated balance sheet.
(2) Represents long-term marketable debt securities which are included in investments in available-for-sale securities and other cost investments in Liberty's consolidated balance sheet.
(3) Cash and liquid investments of Ascent Media Group, Inc. have been excluded for all periods as these assets were spun off as part of DHC.
(4) Represents face amount of Senior Notes and Debentures with no reduction for the unamortized discount.
(5) Represents face amount of Senior Exchangeable Debentures with no reduction for the unamortized discount attributable to the embedded call option obligation.

Liberty's Total Consolidated Cash and Liquid Investments increased $604 million and Total Debt remained flat compared to June 30, 2005. Total Consolidated Cash and Liquid Investments increased due to proceeds from the expiration of certain equity collars and cash flows from operations of Liberty's subsidiaries which were partially offset by the $200 million cash contribution related to the Discovery Holding Company spin off and interest expense.

2005 OUTLOOK

QVC – 2005 Guidance Unchanged

The following estimates assume primarily, among other factors, that product mix, foreign currency exchange rates and domestic growth rates are consistent with the first nine months of 2005, and international growth rates experience a slight slowdown compared to prior years.

For full year 2005 versus 2004, QVC operating results are expected to increase as follows:

- Revenue by low double digits %.
- Operating cash flow by mid teens %.
- Operating income by mid teens %.

SEG – 2005 Guidance Unchanged

The following estimates assume, among other factors, that SEG continues to experience positive trends under its affiliation agreements, SEG's distributors continue to see growth in digital subscribers consistent with that experienced in 2004, the quantity and the timing of receipt of output product from the studios does not materially change from that experienced in 2004, and Starz subscription units continue to increase. These estimates further assume that SEG's 2005 programming costs increase between $100 million and $120 million over amounts expensed in 2004.

Operating income guidance has been modified to reflect better estimates of certain non-cash adjustments. This increase does not reflect a fundamental change in the performance of the business.

For full year 2005, SEG operating results are expected as follows:

- Revenue between $1,000 and $1,050 million.
- Operating cash flow between $150 and $170 million.
- Operating income between $100 and $120 million.

Liberty disclaims any obligation or undertaking to disseminate any updates to the foregoing guidance to reflect any change in Liberty's expectations with regard thereto.

OUTSTANDING SHARES

At September 30, 2005, there were approximately 2.802 billion outstanding shares of L and LMC.B and 78 million shares of L and LMC.B reserved for issuance pursuant to warrants and employee stock options. At September 30, 2005, there were 13 million options that had a strike price that was lower than the closing stock price. Exercise of these options would result in aggregate proceeds of approximately $48 million.

OTHER EVENTS:

Michael George Named President and Chief Executive Officer of QVC, Inc.

On October 28, 2005, Liberty announced the appointment of Michael George to the post of President and Chief Executive Officer of QVC, Inc. Mr. George will assume the role of President on December 1st and, after a four month transition period, will become the Chief Executive Officer. He will replace Doug Briggs who, as previously announced, is retiring.

Mr. George most recently served as the Chief Marketing Officer and General Manager of the U.S. Consumer Business of Dell, Inc. in Austin, Texas. In his role as the head of Dell's US Consumer Business, Mr. George had full responsibility for all Dell products and services sold into the home and home office markets. Mr. George also held general management responsibilities over Dell.com, one of the largest worldwide eCommerce sites. As Dell's Chief Marketing Officer, Mr. George was responsible for building the Dell Brand on a global basis, across consumer, corporate, public and small business markets. Prior to joining Dell in March, 2001 Mr. George spent over 16 years with McKinsey & Co where, as a Senior Partner, he led the North America Retail, General Merchandise and Hospitality Industry Group. Mr. George received a Bachelor of Arts degree from Northwestern University and earned a Masters of Business Administration degree from the Kellogg Graduate School of Management at Northwestern University.

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the operating businesses of Liberty included herein or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others: the risks and factors described in the publicly filed documents of Liberty, including the most recently filed Form 10-Q of Liberty; general economic and business conditions and industry trends including in the advertising and retail markets; spending on domestic and foreign advertising; the continued strength of the industries in which such businesses operate; continued consolidation of the broadband distribution and movie studio industries; uncertainties inherent in proposed business strategies and development plans; changes in distribution and viewing of television programming, including the expected deployment of personal video recorders and IP television and their impact on television advertising revenue and home shopping networks; increased digital television penetration and the impact on channel positioning of our networks; rapid technological changes; future financial performance, including availability, terms and deployment of capital; availability of qualified personnel; the development and provision of programming for new television and telecommunications technologies; changes in, or the failure or the inability to comply with, government regulation, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings; adverse outcomes in pending litigation; changes in the nature of key strategic relationships with partners and joint ventures; competitor responses to such operating businesses' products and services, and the overall market acceptance of such products and services, including acceptance of the pricing of such products and services; and threatened terrorist attacks and ongoing military action, including armed conflict in the Middle East and other parts of the world. These forward-looking statements speak only as of the date of this Release. Liberty expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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